Previous references.

1902.

(Banking)

File No. 10 of 02-03

Serial Nos. /—2

Later references.

Banking 10 of 02-03. Sl. 3-7;
deposit Nos. 2, 3, 4, of 02-03.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. /—2

Part B. for

SUBJECT.

Interest on the deposit lodged by Messrs. Kencha Hammia & Co, Railway Contractors for the period it was delayed in being deposited in the Savings' Bank.

Table of Contents.

Sl. 1. No. 73 dt. 1-8-02. From the Secy. for Railways
Forwarding papers ending with memo no. 73 dt. 1-8-02
regarding payment of interest to Messrs. Kencha Hammia
& Co, Contractors, Birur—Shimoga Railway line.

Sl. 2. No. Fl. 316-7 dt. 23-8-02. To the Comptr. & the D. C. Kadur.
Stating that the explanation of the Comptr. is quite unsatisfactory
the delay attended to the end of March was traceable to ignorance and
negligence; Kencha hammia has made out a fair case again
Govt. that the Comptr.'s Office is responsible for the 1st 3 months
G. R. S. 58 delay, & the Tr. treasury for the other 3 months
that the information is quite inadequate, that the D. C. sh.
obtain full explanations from the officials of the time
interest due to Kencha Hammia & Co from January 1st

DEPARTMENT
AUG 3 03
NEWMARKET OFFICE

(6)

No: 73 Record 1 file

Serial No. 1

Noted and returned.

Forwarded to the Secretary to the Govt. of Mysore, Revenue and General Departments, for favor of disposal and early return of the file.

Yours faithfully

Secretary for Rys.
Government of Mysore

8. 1902

3. 8. 02

Memo No 77 dated 31st July 1902

The orders of the Diwan have to be communicated to me in the Financial Department before I can order the payment and take further steps in the matter. Kindly therefore have the file transferred to that Department.

Copies of some papers in the file not available in my office have had to be taken. Hence I was not available to return the file earlier. Your Memo No 48 with enclosures is herewith returned.

Comptroller
of Mysore

31st July 1902

To
The Secretary for
Railways
Govt. of Mysore

5-109 (1) Mem 7 file 8

Bangalore,

25th January 1902.

From

E.R.Subrayer, Esq., B.A.B.C.E.

Comptroller of Mysore.

To

Col: D. McNeil Campbell,

Secretary to the Government of

Mysore for Railways.

Received on 7/2/02 at 2.20 P.M.

Feb 7 1902

Memo no. 81

Submitted to the Dewan of Mysore for orders, with reference to his marginal remarks on this office note No. 70 dated the 4th December 1901.

D. McN. Campbell Colonel.

Secretary for Railways,

Government of Mysore.

Bangalore,

7th February 1902.

Read (Mysore)

9/4/02

3349

With reference to your Memo No. 755 dated 10th Instant, forwarding the Dewan's remarks regarding the delay in bringing into Savings Banks Accounts the earnest money deposited by the Contractors of the Berur Shimoga Railway Line, I have the honor to state that in December 1896 and January 1897 this Office was undergoing reorganization into several departments and branches according to the suggestionsof Mr. Biddulph, and that the greater part of the Office was also engaged till February 1897 in the preparation of explanations on various points noticed in Mr.Biddulph's report on the Audit of this Office Accounts. The Current work of this Office therefore fell in arrears. Moreover the Deposit amount being in excess of Rs.5,000/- precedents had to be searched for admitting such deposits in the Savings Bank and allowing interests on the whole amount The delay in this Office was therefore unavoidable.

As District Treasuries have ...

all along been opening accounts of the Security Deposits accepted by Public Works Officers in the names of Executive Engineers themselves, and as such mode of opening accounts has been recognised by Imperial Savings Banks (Vide rule 42G of Post Office Savings Banks Rules this Office instructed the Treasury Officer, Kadur District, to open the accounts of the Security Deposit in question in the name of the Executive Engineer, obtaining the necessary letters of agreement from the Contractors, and to send the Pass Books to him, as requested in your No.772 dated 11/12th December 1896. The Treasury Officer could have done this, as he had done in other cases or opened the accounts in the name of the Contractors themselves, if they had appeared and offered to execute the necessary letters of agreement, and reported the matter to this Office. The instructions first issued from this Office were not therefore wrong. For some reason or other the District Treasury Officer considered a reference to this Office was necessary before he took the needful steps in this case and pointed out that according to the Mysore Savings Banks Rule, the deposits should be in the name of the Contractors. This Office did not consider it proper to over-rule the District Treasury Officer responsible for the transactions in the banks of his District, and therefore instructed him to open the accounts accordingly, taking at the same time the

Kadur Deputy Commissioner's Treasury Department No 272 of 29th June 1901.
Tarikere Amildar's Stella No: 433 of 24-6-1901.
Kadur Deputy Commissioner's Treasury Deptt: No: 134 of 25-1-1902
Do - Do - No: 162 of 1-2-1902.

the letters of agreement which are required in either case. The deposit was not however brought on the Savings Bank accounts till the expiration of 3 months after these instructions were issued. Explanations for the delay obtained from the Deputy Commissioner and the Amildar are herewith sent in original. The names of the Amildars are given in the Deputy Commissioner's docket No.134 dated 25th January 1902.

3. The correspondence with which the Savings Banks Pass Books were sent to the Executive Engineer and which is alleged in the Amildar's Yadi No.433 dated 24th June 1901, to be missing, is in the files of correspondence No.154 received with your Memo No.755 dated 12th December 1896, under reply, but it does not throw any light on the matter.

4. On 30th January 1897, when you were apprised by this Office of the fact of necessary instructions having been issued to the District Treasury for bringing the earnest money into Savings Bank Deposit Accounts, you were requested to instruct the Contractors through the Executive Engineer to appear before the Amildar, Tarikere Taluk, to furnish the necessary documents; necessary instructions have also been issued by your Office to that Officer on the subject, but from the correspondence received with your Memo under reply, there is nothing to show that the Executive Engineer ever called upon the Contrac

Contractors to appear before the Amildar or the Contractors themselves executed the necessary letters of agreement to enable the Treasury Officer to open the accounts in their name, appears, therefore to have waited for the Contractors till the last month of the year i.e. June 1897, and then effected necessary adjustment in his accounts without the letters of agreement as the later correspondence shows-

5. I beg also to state that Savings Banks rules provide only for transfer of an already opened account from one bank to another but not for remitting by transfer an ordinary deposit in one treasury to another for deposit in the Savings Bank of that Treasury. The interest has therefore to be calculated from the date on which the simple Deposit was admitted as Savings Bank deposit, and an account was opened in the latter Treasury Account- not from the date of your request to make such deposit- Further Messrs.Duttoo & Co., & Nagappa & Co., who were also Contractors of the said Railway and whose earnest money also was adjusted in June 1897 along with that of Kench Hanumiah & Co., withdrew their deposit money with interest calculated from 1st July 1897, and closed their accounts finally on 12th June and 25th September 1900 respectively-

6 The Memo under reference is herewith returned with its accompaniments

accompaniments.

I have the honor to be,

Sir,

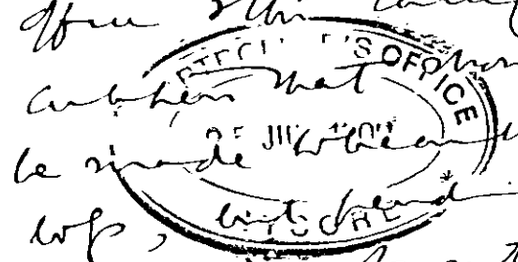
Your most obedient servant,

Comptroller.

W.U.C.

The explanation afforded by the Comptroller is most unsatisfactory. He commits himself to the statement that without any wrong order of proceeding, a wrong sum is dealt with, and when the error was pointed out he states that his office which was in a state of confusion was not able to give a decisive reply promptly and was guided by precedents. Mrs Hoffman and Mr Jeffries were mentioned as the cause of delay - which extended to nearly the end of March - I should have been glad if the Comptroller had found the official responsible for this delay in his office and made him pay the interest due to K. H. It is no justification that Mr Hoffman became dead and Mr Jeffries retired from office. K. H. is entitled to a decision on merits; & did not protest. The question has been raised and Mr Jeffries has made out a very fair case. The Comptroller's office is answerable for three months interest; for the other three months the delay in the Treasury is responsible. Of a small delay in the Treasury Department which may be overlooked the Comptroller is responsible - & explanations & informations are not complete which throw the blame on individuals - and the Government be asked to remedy the effects of the delay, and after obtaining full information as to the liability afforded the blame - and if it is their delay & officials in the Comptroller's

7



Upon the ruling
contained that
be made
by, such adjustment
interest due with
from date to
must be paid to
him by Govt.

G116 18.VII.02

To Secy. D.F.W.

24/7

No. 48 23/7/02

Forwarded to the Comptroller
of Mysore for favor of necessary
action in the matter
and early return

J. Campbell col.
Secretary for Railways
Govt of Mysore.

24-7-02
Bangalore

(60) (58)

No. 15] SCR

No 70

RAILWAYS.

MYSORE P. W. DEPT.

—o—

TO THE DEWAN OF MYSORE

FOR ORDERS.

Agreeably to your remarks dat-ed 21st November 1901, on my note no. 56 dated 3rd October last, I beg to note below further particulars in regard to the interest claimed by Messrs: KenchHanumiah & Co:, on the security amount deposited by them on account of the Birur-Shimoga Railway construction works.

2. On 12th December '96, the Comptroller was asked by this office in letter No. 772 to lodge the security money viz:, ₹37,000/- in the Govern-ment Savings Bank. That officer on the 30th of January 1897, issued in-structions to the Deputy Commissioner Kadur District, to effect the trans-action, opening the accounts in the name of the Executive Engineer, Birur Shimoga Railway, and issuing Pass Books to him. The Deputy Commissioner find-ing such transaction to be contrary to Rule 9 of the Savings Bank in his No. 173 of 13th February '97, request-ed the Comptroller for further —

Rec'd 4.12.01 2592

No 774-5 JAN 1902 101

Forwarded in original to the Comptroller of Mysore for favour of attending to the Dewan's marginal remark and early return

for Secretary

10/1/02.

311 Who is responsible for the delay of nearly a month and 18 days — ? Must be enquired into

instructions to open the accounts in the names of the Depositors alone and the latter officer agreeing in this view authorized the Deputy Commissioner to do so. Vide letter No. 5484 dated 6th March '97. On receipt of this letter the Deputy Commissioner directed the amildar of Tarikere Taluk to take the accounts into Savings Bank Vide No. 1989 of 30th March '97, and the Amildar effect-ed the transaction finally on 5th June 1897, Vide his vernacular yadast No. 620 of 27th October '97, to Executive Engineer, Birur-Shimoga Railway.

3. The above further details have been gathered from the correspondence that has taken place between the officers noted in the margin. From which it will be seen that one Government Officer or another is responsible for the delay in crediting the deposit amount in the Gov-ernment Savings Bank and the Depositors had nothing whatever to do with it. In the absence of records I cannot definite-ly say whether the Contractors contribut-ed to such delay or not.

4. Additional correspondence together-with a copy of the Savings Bank Rules is also submitted.

Col: R.E.
Secretary for Railways,
Government of Mysore.

Bangalore,
Dated 4th December L901.

Enc. 1 File

Comptroller's office, Kadur District
Deputy Commissioner's office(Try: Deptt:), and Tarikere Taluk Office.

(57) 10

No. 15] 180 5-6.

RAILWAYS.

MYSORE P. W. DEPT.

—o—

TO THE DEWAN OF MYSORE

FOR ORDERS.

2518
Please mention the
note a little more
detailed by stating
what was the delay
caused & owing
the officers named
above - Did not
the contractors submit
Bench delay?
21.X.07

In September 1896, tenders for the construction of the Birur-Shemoga Railway was called for. One of the conditions laid down in the advertise-mentcalling for tenders was, that the tenderers should deposit as earnest money a sum of Rs.1000 a mile. Accord-ing to this stipulation a sum of Rs. 1,06,000 was received from several parties, and the same was remitted to the Comptroller for custody pending their eventual disposal.

2. In October 1896, the tenders of the marginally noted contractorswere accepted. In December 1896 the Comp-troller in this Office letter No.772 dated the 12th December 1896, wassre quested to lodge the earnest money of the successful tenderers aggrega-ting Rs.37,000 in the Government Sav-ings Bank and interest ought to have therefore been allowed on that sum from the succeeding month i.e. Jany. 1897.

3. In the year 1900, the construction work was completed and the Comptrolle-

Messrs. Kench Hnomia & Co.
" Nagappa & Co.
" Dattoo & Co.

was asked to refund the security deposits with interest (Vide letter No.225 dated 14th March 1900).

4. From a petition received from Messrs KenchHanumia& Co. I understood, that interest was only allowed from 1st July 1897, instead of from the date of deposit i.e.October 1896, and that the firm of contractors took objection to it. I therefore in my letter No.309 dated 1-5-1901 addressed the Comptroller on the subject, and asked him to allow interest from 1st January 1897, he having been requested to take the amounts into Savings Bank account the preceding month, and that Officer in his letter No.1842/255of 24-9-1901, the last reference on the subject, states that since certain observancies were not gone through till June 1897 he is, under Rule 9 of the Savings Bank, precluded from calculating the interest from 1st January 1897, as suggested in my letter No526 dated 26/8/1901. There has been of course some delay on the part of the Treasury Officer, Tarikere Taluk, and of the Executive Engineer late Birur-Shemoga Railway Division, in completing the transaction; but as the amount of interest on the 37000 Rs from 1st January 1897 is not very large, and as it is unfair that the depositors should be subjected to loss of interest for such a length of time for, apparently, no fault of their own, I am inclined to the opinion, that the same should be disbursed to the contractors. I beg to solicit therefore that you will kindly sanction my authorising the Comptroller to pay the balance of interest due from 1st January 97 to end of June 97, as it does not appear just that for delays on the part of our own Officers that their money should be lying idle and no interest accruing for 7 months and more.

W. D. Hutchins

Offg. Secretary for Railways
Government of Mysore.

Bangalore,
Dated 3rd October 1901. Enc-1 File

Rec
3.10.01
2133

Draft as per orders for
Pros. of the Govt of H.H. the 12
Maharaja of Mysore.

(5)

Read. **Serial No. 2**

Papers ending with
memo No 73 dated 1st
August 1902 from the
Secretary to the Govt of
Mysore, for Railways,
~~P.W. Depts~~, regarding
the payment of interest to
Messrs Kencha Nanniah
& Co, Contractors, Birur-
Shimoga Railway line.

No 7L 316-1 & 23/8/02
23

Order thereon :-

In Sept 1896 tenders
for the construction of
the Birur - Shimoga
Railway were called
for. One of the conditions
laid down in the ad-
vertisement calling for
tenders was that the
tenderers should deposit
as earnest money a sum

of Rs 1,000/ a mile, Accordingly ~~Messrs Keneth Hammond & Co, Messrs Nagappa & Co, Messrs Dalton & Co~~ The Successful tenderers deposited ~~the~~ with the ~~Collector~~, Rs 37,000/ as specified in the Notice. In Dec 1896 the Comptroller was requested by the Secretary for R'ys to lodge the amount in the Govt Savings Bank that officer, on 30th January 1897, issued instructions to the Dy Commissioner, Kadur Dn, to ~~effect the transactions~~, opening the accounts in the name of the Asst. Engineer, Birur-Shimoga Ry, and issuing Pass Books to him. The Dy Commr finding such transaction to be contrary to Rule 9 of the Savings Bank Rules requested the Comptroller on 13th February 1897 for further

	Rs
Messrs Keneth Hammond & Co	13,000
" Nagappa & Co	12,000
Dalton & Co	12,000

proposing
instructions, to open
the accounts in the
names of the depositors,
~~alone~~, ~~and the latter~~ by Cheque
~~officer~~, agreeing in this
view, on 6th March 1897,
authorized the D.C.
Commissioner ~~to do so~~,
and the ~~D.C. Comm.r~~ latter,
Communicated the
orders to the Amildar,
Tarikere on 30th March
1897. The Amildar
effected the transaction
finally on 5th June 1897.

~~In the year 1900~~
The construction ~~work~~
was completed in 1900, and
the Comptroller was
asked to return the
Security deposit with
interest to the Contractors,
Kench Hummick & Co
were paid the deposit

amount and the interest thereon from 1st July 1897.
The Contractors ~~petitioned against this and claimed~~ presented a Petn claiming
interest from 1st Jany 1897. The Comptroller,
when asked to explain the non-payment of
the interest from 1st January 1897 and the
delay in bringing into Savings Bank Acct the
earnest money deposited,
states that in Dec 1896 and January 1897 his
office was undergoing re-organization, and the
greater part of ~~his office~~ the est. being
was engaged in the
preparation of explanations on various points
noticed by the Special
Auditor up to Febry 1897,
and the current work
of his office had fallen in arrears.

He adds that the deposit amount being in excess of Rs 5,000/ precedent had to be sealed for admitting such deposits in the Savings Bank and allowing interest/ on the whole amount & that since certain ob. servances were not gone through till June 1877/ he was precluded from calculating the interest from 1st Jany 1877.

The explanation afforded by the Comptroller is ~~wood~~ quite unsatisfactory. He ~~convicts himself of~~ virtually admits that he ~~having given~~ in the first instance, he issued an wrong order, opposed to the Mysore Savings Bank Rules, and when the error was pointed out, he states

that his office solicitor was in a state of confusion was not able to give a decisive reply promptly and was finding out precedents. Thus ~~both ignorance and negligence have been mentioned as the cause of delay, which extended nearly the end of March.~~ The Govt would have been glad if the Comptroller had found the official responsible for the delay in his office and made him pay the interest due to Messrs. Kencha Nammia & Co. It ~~is no justification~~ does not follow that, because Dadoba Nagappa received no interest for this period and did not protest, Kencha Nammia is not entitled to a decision on merits of the question he

the delay, which extended to the end of March, was traceable to ~~negligence~~ ignorance & negligence.

has passed. He has made out a very fair case against Govt. The Comptrs Office is ~~answerable~~ properly responsible for interest due for three months. ~~interest with the exception of a~~. For the other three months, with the exception of a small delay in the Dist Treasury which may be overlooked, the Taluk Treasury is responsible. Explanations & informations are not complete to fix the blame on individuals ~~and the~~ The D.J Commr is requested to send for the officials of the time, and after obtaining full information and explanation apportion the blame and liability, which should be enforced in due course.

The information how available does not enable me to fix the responsibility on particular individuals, whose explanations also should be obtained.

~~It is these delaying~~

17

officials both in the Comptroller's office & the Taluk Cutcherry that should be made to bear the loss, ~~but~~ pending such adjustment, however, interest due to Kencha Narainma from January to June must be paid to him by Govt.

21/8/1902

Secretary to Govt. Public Works Depts.

21/8/02

To The Comptroller, Mysore
" Dy Commissioner, Kadur Dist

No 1/8.

21/8/02